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ATTACHMENT

17 November 1982

MEMORANDUM FOR: NIO for Warning

SUBJECT : A Warning Hypothesis: Prospects for More Assertive Soviet Actions Under Andropov's Leadership to Counter the Reagan Administration's Foreign and Defense Policies

Statement of the Hypothesis:

1. The relative immobilism of the last years of the Brezhnev era will give way under Andropov to significant changes in both domestic and foreign policies. Andropov has assumed the post of general secretary with well-thought-out plans for responding to substantial changes in the USSR's internal and international environment, particularly in the last five years. Brezhnev's policies of marginal adjustment, muddling through, and stubborn defense of his "peace program" are no longer acceptable to the coalition that supported Andropov in his contest with Chernenko. Andropov will take the lead in breaking with Brezhnev's holding operation and in adopting a more assertive and self-confident stance in challenging US policies and influence.

Assumptions:

a. Brezhnev's death and Andropov's succession come at a time when an acute struggle over resource allocations and foreign and defense policies is coming to a head. Conflicting assessments of US intentions and competing claims on limited resources have been aggravated by increasingly sharp dilemmas in dealing with the consequences of a stagnant economy.

b. The fundamental reality facing the Andropov leadership is that if present economic trends are not reversed, the Soviet Union's capacity to maintain global competition and a strategic balance with the US will be placed in serious question by the late 1980's.

c. This reality will impose a choice among three major courses of action:

(1) Continue the main lines of Brezhnev's policies in order to keep the lid on domestic discontent and protect the stability of the political status quo;

(2) Undertake potentially risky and disruptive reforms in economic management and policy in order to reinvigorate growth of the GNP;

(3) Maintain Brezhnev's status quo policy domestically and gamble on bold actions in the international arena with the aim of either obliging the US to accept an accommodation based on the prevailing strategic balance, or (if the US rejects such a

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deal) of producing a favorable shift in the global balance before the time of reckoning arrives in the late 1980's.

δ. The first option (maintaining Brezhnev's status quo at home and abroad) is unacceptable to the Andropov coalition. Andropov will press for gradual and limited economic/management reforms, but these will not yield sufficient short-term gains to support a policy of both guns and butter. He will therefore adopt a more activist and assertive policy of countering the Reagan Administration's foreign policy and defense program.

### Background

2. Brezhnev's speech on 27 October to the military high command underscored the gravity of internal disagreements over resource allocations and national security policy. The speech represented a rather desperate attempt to hold the line against growing internal pressures for major changes in foreign and defense policies. Brezhnev was trying to contain, if not defuse, a sharp disagreement over defense priorities between the high command, on the one hand, and the top party and defense hierarchy (including Defense Minister Ustinov), on the other. This controversy is rooted in demands by the high command, led by Chief of the General Staff, Marshal Ogarkov, for a much tougher reaction to what is perceived to be the Reagan Administration's confrontational approach to the Soviet Union and to the Administration's defense program which threatens, in the high command's view, to tilt the strategic balance against the USSR.

3. Brezhnev's response was unmistakable. He defended the soundness of his "peace program" and refused to concede that further increases in Soviet defense spending were necessary to defeat US attempts "to attain military superiority." Instead, Brezhnev pointedly declared that, "The party Central Committee adopts measures to meet all your needs, and the armed forces should always be worthy of this concern."

4. The struggle over resource allocations and foreign and defense policies has been developing ever since President Reagan's election, and probably since President Carter's decision to increase the US defense budget in 1978/79. By the spring of 1981, Brezhnev was obliged to abandon his restrained reactions to the Reagan Administration's initial posture and actions, but he rejected demands from the defense establishment for a more forceful response. In September 1981, Ustinov defended Brezhnev's policy against military hardliners and refuted Ogarkov's alarmism and his contention that the Soviet economy should be prepared for the contingency of nuclear confrontation. Ustinov argued that Soviet military strength "is entirely sufficient to curb any aggressors."

### Prospects and Specific Measures

5. Brezhnev's death will not resolve the fundamental differences in the Soviet elite over how to assess what Vadim Zagladin of the Central Committee's International Department has described as President Reagan's "adventurist policy." The removal of Brezhnev's immense prestige will make it considerably

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more difficult for the "moderate detentists" in the leadership to hold the line against the alarmists. Whatever Andropov's personal views or preferences may be, ~~his~~ influence will be limited by the need to function as "chairman of the board" in mediating between the conflicting assessments and claims on resources of rival power centers. He probably will find it expedient to make some concessions to the hardliners. He lacks the prestige and status that enabled Brezhnev to rebuff the high command's demands.

6. The prospect therefore is for some conspicuous measures to strengthen the Soviet defense posture, probably including at least cosmetic increases in the defense budget. Andropov may also authorize demonstrative military exercises, particularly those that advertise the power and readiness of strategic forces.

7. On the political front, Andropov is likely to accede to demands for a more forceful Soviet posture in countering US foreign policy. He probably will focus on more aggressive efforts to exploit transatlantic differences over policies toward the USSR and Eastern Europe. The centerpiece of this strategy will remain the defeat of NATO plans to deploy Pershing II and ground-launched cruise missiles in Europe next year. The Andropov leadership, even more than Brezhnev, may indulge in wishful thinking that US failure to hold the support of the NATO governments for INF deployment will generate a deep crisis of confidence in the alliance and lead to Congressional and public pressures for a reduction in US military commitments to defend Western Europe. This was the principal objective of Brezhnev's foreign policy in the last three years, an objective that explains much of the Soviet Union's relative restraint since President Reagan took office. Brezhnev placed a high priority on avoiding provocative actions in such issues as Poland, the Lebanon crises of 1981 and 1982, and Central America that would alarm Western Europe, play into Washington's hands, and undercut Moscow's prospects of defeating INF modernization.

8. Although these restraints on Soviet policy will not disappear, they may seem somewhat less compelling to the Andropov leadership. Pent-up frustrations over Brezhnev's failure to respond forcefully to perceived affronts from the Reagan Administration are likely to find more prominent expression in Andropov's foreign policy decisions. The prospect over the next year or so, therefore, is for a more assertive, demanding, and, at times, threatening Soviet foreign and defense policy--one impelled primarily by the nationalistic pride of a Soviet superpower that is much more determined than in the Brezhnev era to compel the US to acknowledge the claims, rights, and world position that have resulted from Soviet military and economic achievements in the past two decades.

9. The Andropov leadership will not abandon the detente strategy blessed by the last three party congresses because an elite consensus still prevails that this policy has yielded major economic benefits and facilitated the expansion of Soviet global influence without serious risks of confrontation with the US. The Soviets will continue to pursue the long-term goal of a competitive accommodation with the US. But the Andropov coalition has long been dissatisfied with Brezhnev's conduct of the detente strategy, and it will move promptly to place the USSR in a stronger position to prosecute a more assertive and active policy within the detente framework. In particular, the new leadership will make at least cosmetic increases in defense spending and

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adopt other measures to ensure that rough strategic equality with the US is maintained.

10. The Soviets will continue to view arms control agreements as an essential element of their national economic and military strategy. There will be a clearer recognition than during Brezhnev's last years, however, that the USSR must first counter the US defense program and demonstrate the capacity and political will to maintain strategic parity before the Reagan Administration--or, more likely, its successor--will recognize that there is no alternative but to negotiate compromise arms control agreements. Economic stagnation in the West will encourage the Soviets to believe that new opportunities will appear for improving their bargaining position vis-a-vis the US and Western Europe.

11. A more assertive stance toward the US will be seen as a necessary and valuable adjunct to a program of greater internal vigilance, social discipline, and nationalism that will be needed to implement disruptive economic reforms--measures that will inevitably mean at least a temporary decline in the Soviet standard of living.

12. A shift to a more aggressive posture in countering US influence worldwide will focus first on strengthening at least the appearance of Soviet determination to compete in an arms race. Western Europe will remain the focus of political action, with the aim of defeating INF deployment. Andropov probably will assign an even higher priority than did Brezhnev to facilitating a normalization of relations with China as the quickest and most economical way to counter US power, and he may pay a visit to Beijing before the next round of bilateral talks takes place early next year.

13. A greater resolve to "stand up" to the US challenge may prompt the Andropov leadership to adopt a more conspicuous role in Central America, on the assumption that trends are now moving against US prospects in the region. The Soviets may join the Cubans in expanding political and military support for the Sandinista regime, including political maneuvers to "expose" alleged US-supported plans by Nicaraguan insurgents to step up cross-border attacks from bases in Honduras.

[Redacted Signature]

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